

(D) IF, UNDER § 3-303(A)(1), THE PROMISE OF PERFORMANCE THAT IS THE CONSIDERATION FOR AN INSTRUMENT HAS BEEN PARTIALLY PERFORMED, THE HOLDER MAY ASSERT RIGHTS AS A HOLDER IN DUE COURSE OF THE INSTRUMENT ONLY TO THE FRACTION OF THE AMOUNT PAYABLE UNDER THE INSTRUMENT EQUAL TO THE VALUE OF THE PARTIAL PERFORMANCE DIVIDED BY THE VALUE OF THE PROMISED PERFORMANCE.

(E) IF (I) THE PERSON ENTITLED TO ENFORCE AN INSTRUMENT HAS ONLY A SECURITY INTEREST IN THE INSTRUMENT AND (II) THE PERSON OBLIGED TO PAY THE INSTRUMENT HAS A DEFENSE, CLAIM IN RECOUPMENT, OR CLAIM TO THE INSTRUMENT THAT MAY BE ASSERTED AGAINST THE PERSON WHO GRANTED THE SECURITY INTEREST, THE PERSON ENTITLED TO ENFORCE THE INSTRUMENT MAY ASSERT RIGHTS AS A HOLDER IN DUE COURSE ONLY TO AN AMOUNT PAYABLE UNDER THE INSTRUMENT WHICH, AT THE TIME OF ENFORCEMENT OF THE INSTRUMENT, DOES NOT EXCEED THE AMOUNT OF THE UNPAID OBLIGATION SECURED.

(F) TO BE EFFECTIVE, NOTICE MUST BE RECEIVED AT A TIME AND IN A MANNER THAT GIVES A REASONABLE OPPORTUNITY TO ACT ON IT.

(G) THIS SECTION IS SUBJECT TO ANY LAW LIMITING STATUS AS A HOLDER IN DUE COURSE IN PARTICULAR CLASSES OF TRANSACTIONS.

3-303.

(A) AN INSTRUMENT IS ISSUED OR TRANSFERRED FOR VALUE IF:

(1) THE INSTRUMENT IS ISSUED OR TRANSFERRED FOR A PROMISE OF PERFORMANCE, TO THE EXTENT THE PROMISE HAS BEEN PERFORMED;

(2) THE TRANSFEREE ACQUIRES A SECURITY INTEREST OR OTHER LIEN IN THE INSTRUMENT OTHER THAN A LIEN OBTAINED BY JUDICIAL PROCEEDING;

(3) THE INSTRUMENT IS ISSUED OR TRANSFERRED AS PAYMENT OF, OR AS SECURITY FOR, AN ANTECEDENT CLAIM AGAINST ANY PERSON, WHETHER OR NOT THE CLAIM IS DUE;

(4) THE INSTRUMENT IS ISSUED OR TRANSFERRED IN EXCHANGE FOR A NEGOTIABLE INSTRUMENT; OR

(5) THE INSTRUMENT IS ISSUED OR TRANSFERRED IN EXCHANGE FOR THE INCURRING OF AN IRREVOCABLE OBLIGATION TO A THIRD PARTY BY THE PERSON TAKING THE INSTRUMENT.

(B) "CONSIDERATION" MEANS ANY CONSIDERATION SUFFICIENT TO SUPPORT A SIMPLE CONTRACT. THE DRAWER OR MAKER OF AN INSTRUMENT HAS A DEFENSE IF THE INSTRUMENT IS ISSUED WITHOUT CONSIDERATION. IF AN INSTRUMENT IS ISSUED FOR A PROMISE OF PERFORMANCE, THE ISSUER HAS A DEFENSE TO THE EXTENT PERFORMANCE OF THE PROMISE IS DUE AND THE